



DRINKING WATER AND RADIOLOGICAL PROTECTION DIVISION *POLICY AND PROCEDURES*

NUMBER:	DWRP-03-014	
SUBJECT:	NEW SYSTEMS CAPACITY ASSESSMENT FOR NONTRANSIENT NONCOMMUNITY PUBLIC WATER SYSTEMS	
EFFECTIVE DATE:	OCTOBER 1, 1999	PAGE: 1 OF 5

ISSUE:

As a result of the 1996 amendments to the federal Safe Drinking Water Act, the State of Michigan must implement a capacity development program. One of the elements of this program is to ensure that all new community public water systems commencing operation after October 1, 1999 demonstrate technical, financial, and managerial capacity with respect to each national primary drinking water regulation. Failure to do so on the part of the State of Michigan will result in the U.S. Environmental Protection Agency withholding 20% of the Drinking Water Revolving Loan Fund capitalization grant.

AUTHORITY:

Excerpts from the Michigan Safe Drinking Water Act, 1976 PA 399, as amended (Act 399):

"325.1002 Definitions.

Sec. 2. As used in this act:

(b) "Capacity assessment" means an evaluation of the technical, financial, and managerial capability of a community supply or nontransient noncommunity water supply to comply and maintain compliance with all requirements of this act and the rules promulgated under this act.

(n) "Plans and specifications" means drawings, data and a true description or representation of an entire waterworks system or parts of the system as it exists or is to be constructed, and a statement on how a waterworks system is to be operated.

"325.1004 Filing plans and specifications of waterworks system; general plan of waterworks system; evaluation of proposed system; return or rejection of plans and specifications; plans and specifications for improvements; permit for construction; violation; permit as condition to expenditures.

Sec. 4. (2) Upon receipt of the plans and specifications for a proposed waterworks system, the department shall evaluate the adequacy of the proposed system to protect the public health by supplying water meeting the state drinking water standards. The department shall also conduct a capacity assessment for a proposed community supply or nontransient noncommunity water supply and determine if the system has the technical, financial, and managerial capacity to meet all requirements of this act and the rules promulgated under this act, on the date of commencement of operations. If upon evaluation the department determines the plans and specifications to be inadequate or the capacity assessment shows the system to be inadequate; the department may return the plans and specifications to the applicant and require additions or modifications as may be appropriate. The department may reject plans and specifications for a waterworks system which it determines will not satisfactorily

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provide for the protection of the public health. The department may deny a permit for construction of a proposed community supply or a nontransient noncommunity water supply if the capacity assessment shows that the proposed system does not have adequate technical, financial, or managerial capacity to meet the requirements of this act and the rules promulgated under this act.

(4) The department may deny a permit for construction of a waterworks system or an alteration, addition, or improvement to a waterworks system if the most recent capacity assessment shows that the waterworks system does not have adequate technical, financial, or managerial capacity to meet the requirements of this act and the rules promulgated under this act, and the deficiencies identified in that capacity assessment remain uncorrected, unless the proposed construction will remedy the deficiencies.

“325.1008 Design and operation standards of public water supplies; considerations.

Sec. 8. The department shall give due consideration to the size, type, location, and other conditions at public water supplies for the purpose of specifying design and operation standards, and for the purpose of establishing criteria for capacity assessments.

“325.1015 Protection of public health; notice to supplier of water; inspection of waterworks system; order; public hearing; emergency order; action limiting water use.

Sec. 15. (2) The department shall inspect a waterworks system or a part of a waterworks system, and the manner of operation of the system or part. If upon inspection the department determines the waterworks system to be inadequate or so operated as to not adequately protect the public health, the department may order the supplier of water to make alterations in the waterworks system or its method of operation as may be required or considered advisable by the department to assure the public water supply is adequate, healthful, and in conformance with state drinking water standards.”

At the end of this document is a compilation of all existing statutes, rules, and policies that establish minimum requirements, describe acceptable practices, and/or provide guidance that may be used in developing and assembling the information necessary for the Department of Environmental Quality (DEQ) or its agent to perform a **Capacity Assessment** at a community or nontransient noncommunity public water system.

It will be the responsibility of the applicant seeking a Construction Permit for a proposed nontransient noncommunity public water system to compile the information necessary for the DEQ or its agent to conduct the **Capacity Assessment**.

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POLICY:

For Technical Capacity:

The assessment of technical capacity will be performed throughout the permit process. It begins with a review and approval of the information submitted with the Permit Application and observed during the well site inspection, resulting in the issuance of the Construction Permit. The assessment of technical capacity concludes with the inspection of facilities and information provided prior to **Final Approval**.

For Financial Capacity:

The assessment of financial capacity will be based on a review of the financial details of the proposed water system, hereafter referred to as a **Financial Plan**. The financial plan will only cover the operation and maintenance of the water system, not the entire business. An approved financial plan is required for **Final Approval**.

Details of the water system **Financial Plan** may include:

1. An analysis comparing the development of the proposed, new public water supply to connecting to a community public water supply if a community public water supply is reasonably available.
2. An identification of resources to address water system costs, including:
 - a. Operator certification and training;
 - b. Operational and maintenance costs **for the water system** that may include:
 - i. Utilities;
 - ii. Chemicals;
 - iii. System maintenance; and
 - iv. Monitoring and laboratory costs.
 - c. Administrative costs that may include:
 - i. Emergency repairs or contingency plan funds;
 - ii. Permit fees for water system construction; and
 - iii. Annual water supply fees.
3. A statement from the water system owner on the financial capacity of the proposed water system to meet the requirements of the Act 399.

For Managerial Capacity:

The assessment of managerial capacity will be based upon a review of the managerial details of the proposed water system, hereinafter referred to as the **Managerial Plan**. This plan will only cover the management of the water system, not the entire business. The **Managerial Plan** must be approved prior to **Final Approval**.

Details of the water system **Managerial Plan** may include:

1. Designation of a properly certified operator for the facility, as required by the Michigan Safe Drinking Water Act;
2. Acknowledging the need for on-going training to keep operators current and allow them to maintain the required certification;

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3. A contingency plan to address the appropriate response to a temporary loss of water service, including:
 - a. Closure;
 - b. Obtaining an alternate source of water;
 - c. Public notification procedures;
 - d. An inventory of contractors and suppliers;
 - e. A method for notifying the local health department; and
 - f. Emergency repair procedures.
 - g. Cross connection control as covered during the inspection prior to **Final Approval**.

PROCEDURE:

As the **control point**, all proposed, new nontransient noncommunity public water systems are required to obtain a Construction Permit from the DEQ or its designated agent prior to initiating construction. The **Capacity Assessment** will be conducted in conjunction with the permitting process described below.

Permit Process for New Nontransient Noncommunity Public Water Supplies

Responsibility

Action

Applicant

1. Permit Application
 Owners, or agents acting on their behalf, submit an application with required documentation for review and approval. At a minimum, the following information must be submitted with the permit application:
 - a. Name, address, and telephone number of owner(s);
 - b. Facility name, address, and telephone number;
 - c. Facility type and/or number of service connections;
 - d. Ownership: Public or Private;
 - e. Population to be served and months of operation;
 - f. Contractor name, address, and telephone number;
 - g. Calculated or estimated system capacity (gallons per minute); and
 - h. Site plan with proposed well location(s) showing isolation from buildings, property boundaries, potential sources of contamination, etc.

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Responsibility

Action

DWRPD District Office Staff

2. Well Site Inspection
The Drinking Water and Radiological Protection Division (DWRPD) or its agent conducts an on-site inspection of the proposed well site for determining its acceptability.

DWRPD District Office Staff

3. Issuance of Construction Permit
The DWRPD or its agent reviews the application, rejects the application, or approves and issues the Construction Permit.

DWRPD District Office Staff

4. Final Approval
Based on a satisfactory inspection of the completed construction, the owner is notified that the system is approved to supply water to the public. The inspection, at a minimum, includes the following:
- a. A site inspection of the newly constructed well and distribution system including cross connection inspection;
 - b. Receipt of an acceptable well record from the contractor;
 - c. Receipt of analyses indicating compliance with applicable drinking water standards; and
 - d. Approval of managerial and financial plans.

APPROVED: _____

Flint C. Watt, P.E., Chief
Drinking Water and Radiological Protection Division

DATE: _____

10/1/99